Capital investment in SEZs

†2026. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

whether it is a fact that capital investment of about Rs. 67,347 Crores has been made so far in the units set up in the Special Economic Zones in the country;

if so, the details in this regard and quantum of Indian and foreign capital investment separately;

whether it is also a fact that about 61,015 employees are working in these units;

if not, the facts in this regard;

whether it is also a fact that on.the basis of above facts, capital intensive technique is being adopted in these zones in place of labour intensive technique; and

(f) if not, Government's reaction thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) Out of the total investment of Rs. 67,347 crore made in the newly notified Special Economic Zones by Developers and units, foreign investment is of the order of about US$ 750 million. The SEZs notified under the SEZ Act are providing direct employment to 61015 persons. However, as per studies, indirect employment is estimated to be two to three times of the direct employment.

(e) and (f) The SEZAct, 2005 came into force only in February 2006 and the SEZs which have been notified under this Act have come into existence only thereafter. Majority of these SEZs are in the process of setting up of manufacturing/services units and full employment potential of these SEZs would be known only once they are fully operational. Out of the 439 formal approvals given, 150 approvals are for sector specific and multi products SEZs for manufacture of Textiles & Apparels, Leather Footwear, Automobile components, Engineering, Gems and Jewellery and other labour intensive sectors These SEZs. once fully developed, would involve labour intensive manufacturing, leading to creation of significant employment.

Shortfall in exports

2027. SHRI D. RAJA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

whether it is a fact that exports in 2007-08 will fall short and only reach about US 145 billion dollars;

whether it is a fact that the Government had originally set a target of 160 US billion dollars for 2007-08;

if so. which are the sectors where exports did not grow as anticipated;

whether it is also a fact that traditional exports are falling; and

† Original notice of the question was received in Hindi

(e) what steps are proposed to review the entire export strategy to prevent India from being affected by external recessions and trade cycles?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Exports during 2007-08 are likely to reach a level of US $ 152-155 billion as against a target of US$ 160 billion set for the year.

As per the preliminary estimates, during 2007-08 (April-January), there was a negative growth, in US $ terms, in the export of a number of items including RMG (Cotton including accessories); Primary & Semi-finished Iron & Steel; Plastic & Linoleum; Non-ferrous Metals; Marine Products; Sports Goods; Handicrafts; Carpets etc. Slow growth was also recorded in the exports of Cotton Yarn Fabrics Made-up etc. and Electronic Goods.

Yes, Sir.

(e) It is the endeavour of the Government to promote exports in line with India's comparative advantage and the emerging situation in the domestic as well as international markets. Accordingly, the developments in the domestic and overseas markets are monitored on regular basis and various measures are announced under the Foreign Trade Policy from time to time.

Export of key natural resources

2028. SHRI SITARAM YECHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

whether Government's decision to export key natural resources is leading to the limitations of productivity expansion in the public sector companies;

the details of key natural resources exported to various countries in the last four years; and

the details of the supply orders pending from various public sector undertakings with reference to key minerals such as iron, chromate?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) Information being collected and will be laid on the Table of the House.

Tax exemption to SEZ

2029. SHRI TARINI KANTA ROY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

the amount of tax exemption granted to Special Economic Zones (SEZs) so far, year-wise; and

the circumstances under which such exemptions are being granted whereas area based tax concessions to six districts of North Bengal has been denied?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) The quantum of exemptions is dependent on the investments, exports and profits generated there from by the Developers and units, which cannot be estimated at this stage.